

HOUSING PRESERVATION GRANT (HPG) PROGRAM

The **FY 2006 Notice of Funding Availability** for the HPG program was published in the Federal Register on March 20, 2006. A copy of the notice is enclosed for your information.

For FY 2006, the HPG allocation for Minnesota is **\$175,627**. Please note that no more than 50 percent of the State allocation can go to a single applicant if more than one eligible pre-application is received.

The State Office has been designated as the processing and servicing office for the HPG program in Minnesota. Please submit all pre-applications to USDA-Rural Development, 375 Jackson Street, Suite 410, St. Paul, MN 55101. You may contact Tom Osborne at (651) 602-7804 if you have any questions.

Please note the deadline for receipt of a pre-application is **5:00 PM on May 19, 2006**. Pre-applications received after that date will not be considered for funding this fiscal year and will be returned. This will be the only time during this fiscal year that interested organizations may apply for this program.

- A HPG Pre-application Checklist is enclosed for your use. Please reference the enclosed RD Instruction 1944-N, paragraph 1944.676 for a more detailed description of the items required as part of a complete pre-application.
- Please note that a "complete pre-application" is one of the threshold criteria that must be met.
- Assistance may be requested for individual homeowners or rental properties. An applicant may not apply for a combination proposal. Example: An applicant may not combine rental property and individual homeowner assistance, but may submit two separate applications, one for rental properties and one for individual homeowner assistance.
- Eligible uses of HPG funds now include replacement housing for individual owner occupied units.
- The maximum percentage of funds that may be used for cosmetic purposes is 20 percent.
- Administrative costs must not exceed 20 percent of the total HPG funds awarded to a grantee
- Initiate your notice (publication) for public comments on the Statement of Activities as soon as possible. The notice must be published early enough to allow a 15-day comment period prior to the last date for receipt of pre-applications. Obtain an Affidavit or Proof of Publication for inclusion in your pre-application.